

**CITY OF MARYSVILLE AGENDA BILL**

**EXECUTIVE SUMMARY FOR ACTION**

**CITY COUNCIL MEETING DATE:** April 4, 2016

<b>AGENDA ITEM:</b> Resolution Establishing the Intention to Designate an Area to Provide for a Property Tax Exemption for the Value of New Construction for Industrial / Manufacturing Industries and to Establish the Time and Place for a Public Hearing on the Proposal	
<b>PREPARED BY:</b> Gloria Hirashima <b>DEPARTMENT:</b> Executive	<b>DIRECTOR APPROVAL:</b>
<b>ATTACHMENTS:</b> Resolution with Exhibit 1	
<b>BUDGET CODE:</b>	<b>AMOUNT:</b>
<b>SUMMARY:</b>	

The Washington State Legislature passed SB 5761 to exempt property taxes for the value of new construction of industrial/manufacturing facilities for 10 years. The law is limited to use by the cities of Marysville, Arlington, and Lake Stevens as a demonstration on how the State of Washington can encourage manufacturing and industrial uses.

On March 23, 2016, the Snohomish County Council passed Ordinance 16-011 which exempts the County portion of the property tax in support of this economic development effort. The desire is to implement SB 5761 in Marysville now that Snohomish County Council has taken action.

The law requires the following: Creation of a minimum of 25 new full time jobs, paying at least \$18.00 an hour. The building improvements must be 10,000 sq ft or larger and a minimum improvement value of \$800,000.00. The use must be one which is manufacturing as defined by the US Department of Labor.

The owner must sign a statement as a part of the application for the tax exemption that they would not have built in the location, but for the availability of the tax exemption. They also are required to provide information showing why they are eligible. When built, the City must certify the owner is qualified for the tax exemption and provide this certification in a timely manner to the County Assessor. (This is like the existing multiple family tax exemption which the city certifies to the County Assessor that the project has been completed.)

An annual report is required to be given to the city by the owner. This includes the number of jobs, a statement that uses have not changed, and any changes or improvements constructed after the issuance of the exemption. The city is required to report annually to the Department of Commerce on the program.

<b>RECOMMENDED ACTION:</b> Staff recommends approval of the attached Resolution to set April 25, 2016 as the public hearing date on the Intention to Designate an Area to Provide for a Property Tax Exemption for the Value of New Construction for Industrial / Manufacturing Industries.
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**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY OF MARYSVILLE ESTABLISHING THE INTENTION TO DESIGNATE AN AREA TO PROVIDE FOR A PROPERTY TAX EXEMPTION FOR THE VALUE OF NEW CONSTRUCTION FOR INDUSTRIAL / MANUFACTURING INDUSTRIES AND TO ESTABLISH THE TIME AND PLACE FOR A PUBLIC HEARING ON THE PROPOSAL.**

WHEREAS, the State of Washington passed Engrossed Senate Bill 5761 providing for property tax exemption for the value of new construction of industrial/manufacturing facilities in targeted urban areas; and

WHEREAS, the City of Marysville qualifies for this property tax exemption based on the act criteria, that it has planned under the growth management act, and zoned lands for industrial and manufacturing use; and

WHEREAS, THE City of Marysville has determined that the targeting of an industrial and manufacturing area for property tax exemption will assist in the new construction of industrial/manufacturing facilities that will provide employment for family living wage jobs; and

WHEREAS, there is the need for additional family wage jobs in Marysville to support the growing community, to diversify the economic base and have sustainable economic growth; and

WHEREAS, the City of Marysville passed Joint Resolution No. 2011-001 on December 12, 2011, supporting regional coordination of a manufacturing and industrial center and support to the Boeing Company and manufacturing and supplier expansion in the North Snohomish County area; and

WHEREAS, the City of Marysville has developable land, multi-modal transportation, the capacity to locate new manufacturing and industrial facilities, and a goal to advance economic development; and

WHEREAS, the Snohomish County Council passed Ordinance 16-011 on March 23, 2016, to implement Engrossed Senate Bill 5761 to exempt the County portion of the property tax for the value of new construction of industrial/manufacturing facilities in targeted urban areas;

NOW THEREFORE, BE IT RESOLVED:

1. That the city of Marysville proposes to designate the property as shown on Exhibit 1 as an area where property owners can apply and be granted a property tax exemption for manufacturing and industrial facilities which qualify under Engrossed Senate Bill 5761 .
2. That on April 25, 2016 at 7:00 pm there will be a public hearing on the proposal and ordinance at the City Hall Council Chambers, 1049 State Avenue, Marysville WA 98270

PASSED by the City Council and APPROVED by the Mayor this 4th day of April, 2016.

CITY OF MARYSVILLE

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JON NEHRING, Mayor

ATTEST:

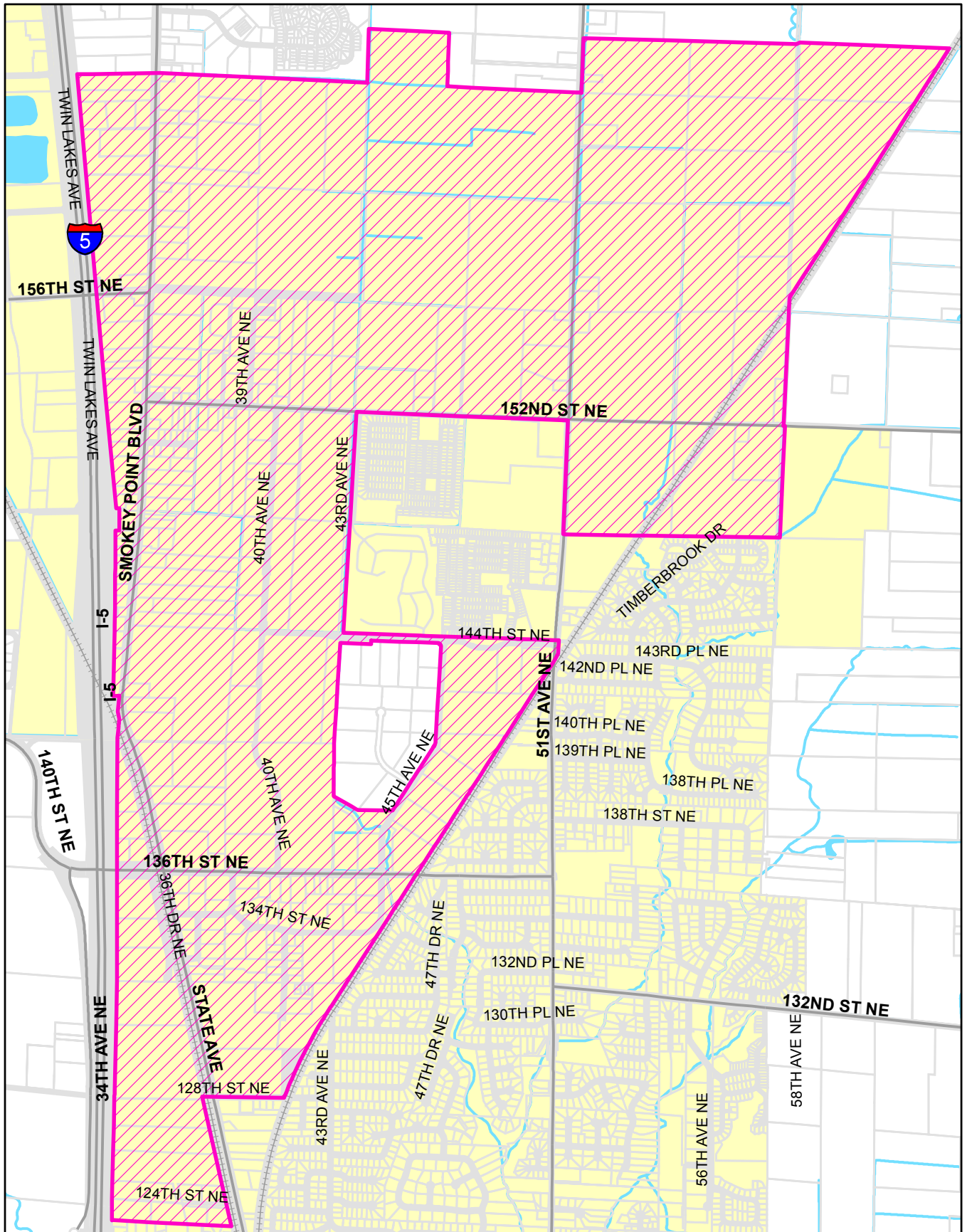
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APRILOBRIEN, Deputy City Clerk

Approved as to form:

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JON WALKER, City Attorney



**EXHIBIT - 1**  
**ESB 5761 Property Tax**  
**Exemption Boundary**

10/22/2015

- Property Tax Exemption Area
- Marysville city limits
- Open Right-of-way
- Parcels